as the case may be, part of the amount of compulsory deposit which remains unpaid, shall, subject to the provisions of sub-section (5), be repaid to the employee in five equal annual instalments commencing on the 6th day of July, 1978, and each such instalment shall be credited to the provident fund account of the employee :

Provided that the employer shall not be required to make any contribution under the Employees Provident Funds Act, 1952, (19 of 1952.) or under any other law for the time baing in force, in relation to the amounts so credited to the provident fund account of the employee :

Provided further that, in the case of the employees who do not subscribe to any provident fund, the aggregate amount so repayable shall be repaid in cash in five equal annual instalments commencing on the 6th day of July, 1978.

(5) On the superannuation. resignation or termination of employment of an employee, the whole of the amount standing to the credit of such employee in the Additional Dearness Allowance Deposit Account, shall be repaid,—

(a) in cash, in the case of any amount credited to the Additional Dearness Allowance Deposit Account for any period ending on the 30th day of June, 1976 ;

(b) in the ease of any amount credited to the Additional Dearness Allowance Deposit Account for any period ending after the 30th day of June, 1976,

(i) by crediting such amount to the provident fund account of such employee, if he is the subscriber of any such account, or deposit

(ii) in cash, where such employee is not a subscribes to any provident fund.

Explanation.— For the purposes of this section, "provident fund" has the meaning assigned to it in section 2(e) of the Provident Funds Act 1925 (19 of 1925).'.

Notification, No. LAW. 77 LCA. 1976.

Bangalore, dated 14th September, 1976.

Ordered that the Banking and Public Financial Institutions Laws (Amendment) Act, 1976 (73 of 1976) Published in Part II, Section 1 of the Gazette of India, Extraordinary dated 11th June 1976 be republished in the *Karnataka Gazette* for general information.

By Order and in the name of the Governor of Karnataka

K. R. RAMASWAMY IYENGAR,
Assistant Draftsman and Ex-officio *Deputy Secretary to Government, Dept. of Law and Parliamentary Affair*

Assented to on 11th June 1976 Act No. 73 of 1976

THE BANKING AND PUBLIC INSTITUTIONS LAWS (AMENDMENT) ACT, 1976

AN

ACT

further to amend the Industrial Finance Corporation Act, 1948, the State Bank of India Act, 1955, the Industrial Development Bank of India Act 1964, and the Regional Rural Banks Act, 1976.

BE it enacted by Parliament in the Twenty-seventh Year of the Republic of India as follows :—

CHAPTER I

PRELIMINARY

1. **Short title.**—This Act may be called the Banking and Public Financial Institutions Laws (Amendment) Act, 1976.

2. **Construction of references.**—Any reference in sections (3)(i), 4(ii), 5(i) and 6(i) of this Act to the chairman or, as the case may be, vice-chairman or managing director shall be construed as including a reference to the person holding office as such at the commencement of this Act.

CHAPTER II

AMENDMENTS TO THE INDUSTRIAL FINANCE CORPORATION ACT, 1948

3. **Amendment of Act 15 of 1948.**—In the Industrial Finance Corporation Act, 1948,—

(i) in section 10A, after sub-section (2), the following sub-section shall be inserted, namely :

"(2A) Notwithstanding anything contained in sub-section (2), the Central Government shall have the right to terminate the term of office of the Chairman at any time before the expiry of the term specified in sub-section (2) by giving him notice of not less than three months in writing or three months' salary and allowances in lieu of such notice; and the Chairman shall also have the right to relinquish his office at any time before the expiry of the term specified in sub-section (2) by giving to the Central Government notice of not less than three months in writing " ;

(ii) in section 10B, after sub-section (1), the following proviso shall be added, namely :—

"Provided that no person shall be removed from his office, under this sub-section, unless he has been given an opportunity of showing cause against his removal"

CHAPTER III

AMENDMENTS TO THE STATE BANK OF INDIA ACT, 1955

4. Amendment of Act 23 of 1955.—In the State Bank of Indi Act, 1955,—

(i) insection 19, in sub-section (1),—

(*a*) in clause (a) the words "and after consideration, of the recommendations made by the Central Board in that behalf" shall be omitted;

(b) in claus (b). for the words "by the Central Board with the approval of the Central Government", the words "by the Central Government in consultation with the Reserve Bank" shall be substituted ;

(ii) in section 20,—

(a) in sub-section (1), for the words "The chairman and the vice-chairman", the words "The chairman, vice-chairman and each managing director" shall be substituted ;

(b) after sub-section (1), the following sub-section shall be inserted, namely :—

"(1A) Notwithstanding anything contained in sub section (1), the Central Government shall have the right to terminate the term of office of the chairman, vice-chairman or a managing director, as the case may be, at any time before the expiry of the term fixed under sub-section (1) by giving him notice of not less than three months in writing or three months' salary and allowances in lieu of such notice; and the chairman, vice-chairman or a managing director, as the case may be, shall also have the right to relinquish his office at any time before the expiry of the term so fixed by giving to the Central Government notice of not less than three months in writing." ;

(c) sub-section (2) shall be omitted ;

(iii) in section 23, in clause (b), for the [illegible] vice-chairman", the words "chairman, vice-chairman and a managing director" shall be substituted :

(iv) in section 24,—

(a) in sub-section (1), for the words "the chairman or the vice-chairman", the words "the chairman vice-chairman or a managing director" shall be substituted ;

(b) sub section (2) shall be omitted ;

(c) in sub-section (6). the words, brackets and figure "or sub-section (2)" shall be omitted ;

(v) in section 25, for sub-section (1), the following sub-section shall be substituted, namely :—

"(1) If the chairman, vice-chairman or a managing director is rendered incapable of discharging his duties by reason of infirmity or otherwise or is absent on leave or otherwise in circumstances not involving the vacation of his office, the Central Government may, in consultation with the Reserve Bank, appoint another person to officiate in the vacancy " ;

(vi) in section 27, in sub-section (2),—

(a) for the words "as may be determined by the Central Board with the approval of the Central Government:", the words "as may be determined by the Central Government." shall be substituted ;

(b) the proviso shall be omitted ;

(vii) in section 28, in sub-section (2),—

(a) for the words "as may be determined by the Central Board with the approval of the Central Government: ', the words "as may be determined by the Central Government." shall be substituted ;

(b) the proviso shall be omitted ;

(viii) in section 29, in sub-section (2),—

(a) for the words "as may be determined by the Central Board with the approval of the Central Government:", the words "as may be determined by the Central Government." shall be substituted ;

(b) the proviso shall be omitted.

CHAPTER IV

AMENDMENTS TO THE INDUSTRIAL DEVELOPMENT BANK OF INDIA ACT, 1964

5. **Amendment of Act 18 of 1964.**—In the Industrial Development Bank of India Act, 1964 in section 6,—

(i) after sub-section (2), the following sub-section shall be inserted, namely :—

"(2A) Notwithstanding anything contained in sub-section (1), the Central Government shall have the right to terminate the term of office of the chairman or managing director, as the case may be, at any time before the expiry of the term specified under sub-section (2) by giving him notice of not less than three months in writing or three months' salary and allowances in lieu of such notice ; and the chairman or managing director, as the case may be, shall also have the right to relinquish his office at any time before the expiry of the term specified under sub-section by giving to the Central Government notice of not less than

(ii) after sub-section (3) the following sub-section shall be inserted, namely:—

"(3A) The Central Government may at any time, remove the chairman or the managing director, as the case may be, from office:

Provided that no person shall be removed from his office, under this sub-section, unless he has been given an opportunity of showing cause against his removal."

CHAPTER V

AMENDMENTS TO THE REGIONAL RURAL BANKS ACT, 1976

6. **Amendment of Act 21 of 1976.**—In the Regional Rural Banks Act, 1976, in section 11,—

(i) after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) Notwithstanding anything contained in sub-section (1), the Central Government shall have the right to terminate the term of office of the Chairman at any time before the expiry of the period specified under sub-section (1) by giving him notice of not less than three months in writing or three months' salary and allowances in lieu of such notice and the Chairman shall also have the right to relinquish his office at any time before the expiry of the period so specified by giving to the Central Government notice of not less than three months;

(ii) for sub-section (4), the following sub-section shall be substituted, namely :—

"(4) The Central Government may, at any time, remove the Chairman from office:

Provided that no person shall be removed from his office, under this sub-section, unless he has been given an opportunity of showing cause against his removal.".

Notification No. LAW 81 LCA 76.

Bangalore, dated 14th September 1976.

Ordered that the Beedi Workers Welfare Fund Act, 1976 (62 of 1976) published in Part II, Section 1 of the Gazette of India, Extraordinary dated 10th April 1976 be republished in the *Karnataka Gazette* for general information.

By Order and in the name of the Governor of Karnataka,

K. R. RAMASWAMY IYENGAR,
Assistant Draftsman and Ex-officio Deputy Secretary to Government, Dept. of Law and Parly. Affairs.